THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.8162 of 2003

ORAL ORDER:

This writ petition is filed seeking a Mandamus declaring the action of the respondents in not paying call deposit amounts along with interest accrued thereon to the petitioner as illegal and arbitrary and consequently direct the respondents 1 to 3 to pay the entire amount of call deposits along with interest.

The petitioner is a society registered under the A.P. Cooperative Societies Act, 1964. Almost all the employees of the Secretariat, Assembly, Rajbhavan and Commissioner of Panchayat Raj are its members. In order to benefit its members, the petitioner society has invested the funds in lump sum in the form of call deposits in the respondent banks. The nature of call deposits is that whenever the depositor intends to withdraw or recall, he can do so, but the respondent Banks did not pay the deposit amounts to the petitioner society on the ground that the first respondent has instructed respondents 2 to 13 not to pay the deposit amounts to the depositors following the crisis in the said Banks. It is the case of the petitioner that though it has invested the amount in lump sum by way of call deposits, the said amount belongs to several members of the petitioner society and each member has invested not exceeding Rs.1,00,000/-. Thus, each member of the society should be considered as a small depositor and thus they are eligible to be paid the entire amount as per the Reserve Bank of India guidelines.

The sum and substance of the writ petition is that the deposits collected from its members which is less than Rs.1,00,000/- have been invested into respondents 2 to 13 banks in lumpsum, and that should be treated as individual investment made by the members of the

petitioner society.

The respondents have filed counters admitting the deposits made by the petitioner society, but it is their case that since appeals are pending before the Registrar of Cooperative Societies, and unless and until the same are disposed of, the amounts cannot be released.

Be that as it may, the writ petition in this shape is not maintainable. No bank can be asked to treat the lumpsum amount as individual investment of the members of the petitioner society, so that they will be entitled for the amounts as per the directions of the Reserve Bank of India.

The writ petition is misconceived and liable to be dismissed and accordingly dismissed. No order as to costs.

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C.V.RAMULU,
J

Date: 22.11.2006

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THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.8162 of 2003

22.11.2006

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH AT HYDERABAD

THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.No.8162 of 2003

Date: 22nd November, 2006

Between:

The Andhra Pradesh Secretariat Staff
Cooperative Society Ltd., rep. by its
President C.Shankar Reddy

Petitioner

And

The Reserve Bank of India,
Mumbai & others.

.. Respondents